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IN THE

Supreme Court of the United States

OCTOBER TERM, 1963.

MINNESOTA MINING AND MANUFACTURING COMPANY, a Delaware corporation,
Petitioner,

vs.

THE PLYMOUTH RUBBER COMPANY, INC.,
a Massachusetts corporation,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT.

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The Scheffer Press, Inc.—ANdover 3-6850

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To the Honorable, the Chief Justice and the Associate Justices of the United States Supreme Court:

Petitioner, Minnesota Mining and Manufacturing Co., respectfully prays for the issuance of a Writ of Certiorari to review the Judgment of the United States Court of Appeals for the First Circuit entered in the above entitled action on July 15, 1963. The aforesaid Judgment of the Court of Appeals modified a judgment entered by the District Court from which both parties had appealed. A Petition for Rehearing, filed by petitioner, was denied by the Court of Appeals on August 5, 1963.

OPINIONS BELOW.

The opinion of the District Court is reported at 203 F. Supp 595 and has been annexed to this petition as Appendix A. The opinion of the Court of Appeals is reported at 321 F. 2d 151, 138 U.S.P.Q. 344 and is annexed hereto as Appendix B.

JURISDICTION.

The Judgment of the Court of Appeals was entered on July 15, 1963 and is annexed hereto as Appendix C. A separate judgment dismissing Respondent's appeal is annexed hereto as Appendix D. The Petition for Rehearing was denied on August 5, 1963 (Appendix E to Petition).

The jurisdiction of this Court is invoked under 28 U.S.C. 1254 (1).

QUESTION PRESENTED.

In respect to the issue of infringement of a patent, is a patent owner estopped from receiving a determination on the merits by a judgment of another court in a prior suit between the parties which held the article there adjudicated not equivalent to that of the patent, where the article accused in the subsequent action was neither known, nor in issue, nor actually tried by the first court in making its determination.

STATUTE INVOLVED.

This action arises under the Patent Laws of the United States. The question here presented involves principles of *res judicata* and collateral estoppel. No specific statute is involved.

STATEMENT.

Minnesota Mining and Mfg. Co. is the owner of Oace Reissue Patent No. 23,843. The patent covers a stretchable and retractable vinyl plastic adhesive tape designed primarily for insulating splices in electrical conductors, and which was "a great improvement over prior insulating devices and met with much commercial success" (R. 413). Minnesota Mining manufactures and sells this tape under its "Scotch" trademark. Respondent, The Plymouth Rubber Co., also manufactures and sells stretchable and retractable vinyl plastic electrical tape.

In essence, the invention of the patent is in providing a tape wherein the vinyl film backing is sufficiently plastic, *i.e.*, stretchable and retractable, while at the same time remaining permanently compatible with the pressure sensitive adhesive with which it is coated. The patentees found that if the vinyl film were plasticized solely with a low molecular weight, liquid plasticizer, the plasticizer had a tendency to migrate out of the vinyl film and into the adhesive. This caused the adhesive, in time, to become soft or pasty. The patentees also found that if, on the other hand, the film backing was plasticized solely with a high molecular weight, resinous plasticizer, prolonged contact between the adhesive and the film caused the adhesive to lose its desired tackiness (R. 416).

The patentees solved this problem by providing for the use of a plasticizer system comprised of a mixture of both a "low-molecular-weight" material and a "high-molecular-weight, resinous" material (R. 416). When the vinyl film is plasticized in this manner, the adhesive layer neither softens nor loses tackiness even after prolonged contact with the film. The patent describes this condition as one in which the film and the adhesive are in "permanent equilibrium".

In the first suit between the parties,[1] The District Court for the Middle District of North Carolina held the Oace Reissue patent valid and infringed. The Court of Appeals for the Fourth Circuit reversed on the issue of infringement, rejecting the finding of the District Court that the plasticizers used in the tapes made at that time by Plymouth were the equivalent of the plasticizers described and claimed in the patent. Subsequently, the Court also denied Minnesota's motion to reopen the case on the basis of newly discovered evidence and, in so doing, reaffirmed its previous holding of non-infringement on the ground that in no event could the tapes there accused by Minnesota be equivalent to those of the patent.

The basis for the Fourth Circuit's holding was its determination that the tapes there involved were plasticized solely with high molecular weight, resinous materials (such as those referred to by trademark designations, G-25 and G-40) and that such tape did not employ any liquid, migratory plasticizer (such as DOP). Against this determination, Minnesota contended that even though Plymouth had not used any low molecular weight (below 1000), liquid plasticizer, it had, instead, substituted a high molecular weight (from 1000 to 50,000), resinous plasticizer which included within it a greater portion of relatively low weight material, *i.e.*, in the range just above 1000, than did the resinous plasticizers contemplated by the patent. The Court denied, however, that this portion of the high weight resinous plasticizer which included a number of molecules of "relatively low weight" but nevertheless above 1000 was the equivalent of the liquid migratory plasticizer described

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[1] *Minnesota Mining & Mfg. Co.* v. *Sears, Roebuck & Co. and The Plymouth Rubber Co.*, M. D., N.C., 1956, 141 F. Supp. 686; *rev'd.* 4 Cir., 1957, 243 F.2d 136; rehearing denied, 249 F.2d 66. For convenience, this litigation is sometimes referred to as the "Sears case".

in the patent. The Fourth Circuit said (243 F.2d 136 at 143):

> "Even if it be supposed that the composition of G-25 has been so changed as to contain a larger number of molecules of relatively low weight than the G-25 produced during the experimental period, and that by reason of this change it is now possible to use resinous material as a sole plasticizer, its use in making an insulating tape would not constitute infringement, because the plasticizer would still be completely resinous whereas the patent teaches that a liquid as well as a resinous plasticizer must be used."

Shortly after the Fourth Circuit had denied Minnesota's motion to reopen, Plymouth began selling its "Slipknot" tape which if advertised as "new", as resulting from "years of research and months of testing", and as having "a wider temperature working range." (R. 603, 607). Minnesota charged infringement by this tape, asserting that the plasticizer system employed by Plymouth in making its new "Slipknot" tape is the equivalent of the plasticizers of the patent, and departs from that adjudicated in the *Sears* case. The present declaratory judgment action resulted.

In support of its allegation of infringement, Minnesota offered evidence showing that the Slipknot tape contains plasticizer material which is partly of high molecular weight, but a substantial percentage of which has a molecular weight well below 1000 (R. 180, 255) and that such low molecular weight material is also:

(1) a "migrating" type of plasticizer (Bond, Lundquist, etc. R. 182, 185, 207-8, 213);

(2) one which "would function in the same way" as the dioctyl phthalate (DOP) of the patent (R. 257); and

(3) one which would "produce a similar effect" to that of DOP, where the "mechanisms would be quite similar" (R. 257).

Indeed, the record in this case shows, without contradiction, the presence of an identifiable substance which is of low molecular weight and is both non-resinous and migrating: Plymouth's expert, DeBell, accepted, without reservation, the word of Bond and Lundquist, that the low weight portion in the Slipknot tape, if used alone, does migrate (R. 294, 296). This proof is wholly unlike that before the Fourth Circuit wherein the evidence showed the presence of a completely resinous plasticizer (R. 424) in which even the "relatively low weight" molecules were 1000 or more in molecular weight (R. 633). Moreover, the plasticizer before the Fourth Circuit, unlike that here involved, contained no molecules which were migrating, nor which functioned in the same manner as the liquid plasticizers described in the patent (R. 633).

The Courts below in the present case, however, refused to make fact findings or even consider on the merits the issue of infringement by the Slipknot tape. Instead, they held, without the finding of any subsidiary or evidentiary facts to support the conclusion, that the Fourth Circuit had previously decided on what was non-equivalent to the tape of the patent, and that Minnesota was barred by that determination. The evidence offered by Minnesota to prove that the Slipknot tape and the low weight plasticizer therein, unlike that previously adjudicated in the *Sears* case, is the full equivalent of the tape of the patent was wholly ignored. And in response to Minnesota's contention that it is entitled to a determination on the merits as to whether the tape here accused falls within the range of equivalents properly accorded the patent, the Court of Appeals said (App. B to Pet., p. 22a):

"Basic principles of *res judicata* and estoppel by judgment bar relitigation of these matters. As between the parties, they are settled once and for all.".

REASONS FOR GRANTING THE WRIT.

The decision of the courts below, barring a determination on the merits of Minnesota's claim that Plymouth's new Slipknot tape constitutes an infringement of the Oace patent, is erroneous and in apparent conflict with decisions of this Court. The decision represents a departure from principles long fundamental in the application of the doctrines of *res judicata* and collateral estoppel.

1. The decision of the courts below conflicts with principles of law announced and applied by this Court in *Cromwell* v. *County of Sac*, 94 U.S. 351; *Russell* v. *Place*, 94 U.S. 606; and *Commissioner* v. *Sunnen*, 333 U.S. 591.

The controlling law was succinctly stated in *Cromwell*, 94 U.S. at 352-3:

> ". . . it should be borne in mind, as stated by counsel, that there is a difference between the effect of a judgment as a bar or estoppel against the prosecution of a second action upon the same claim or demand, and its effect as an estoppel in another action between the same parties upon a different claim or cause of action. In the former case, the judgment, if rendered upon the merits, constitutes an absolute bar to a subsequent action . . ."
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> "But where the second action between the same parties is upon a different claim or demand, the judgment in the prior action operates as an estoppel only as to those matters in issue or points controverted, upon the determination of which the finding or verdict was rendered. In all cases, therefore, where it is sought to apply the estoppel of a judgment rendered upon one cause of action to matters arising in a suit upon a different cause of action, the inquiry must

always be as to the point or question actually litigated and determined in the original action, not what might have been thus litigated and determined . . ."

Similarly, in *Russell* v. *Place*, 94 U.S. at 608:

"It is undoubtedly settled law that a judgment of a court of competent jurisdiction, upon a question directly involved in one suit, is conclusive as to that question in another suit between the same parties. But to this operation of the judgment it must appear, either upon the face of the record or be shown by extrinsic evidence, that the precise question was raised and determined in the former suit . . ."

The error of the Courts below in the instant case was in failing to give effect to these and similar pronouncements of the law. Thus, the courts held that Minnesota was barred by the prior determination of the Fourth Circuit, even though the "precise question" here raised was not, and could not have been, raised or adjudicated in the former suit.

There can be no real dispute on the basis of the record, that neither the tape nor the plasticizer adjudicated in the Fourth Circuit is precisely the same as the Slipknot article here accused.[2] For example the record herein

[2] Although the District Court concluded, rather vaguely, that "Slipknot tape is made from the same materials and in the same manner as the tape held to be non-infringing" in the Fourth Circuit (App. A to Pet., p. 8a), it failed to meet the requirement of making "such subsidiary findings of fact as will support the ultimate conclusion reached" (*Kweskin* v. *Finkelstein*, 7 Cir., 1955, 223 F.2d 677, 678), or of making findings "sufficient to indicate the factual basis for the ultimate conclusion" (*Kelley* v. *Everglades*, 319 U.S. 415, 422). Significantly, neither court below was able to find that the plasticizers were identical as to their low molecular weight and migratory characteristics.

conclusively proves, through formal admissions of Plymouth, that the plasticizer of the tape involved in the *Sears* case contained no molecules below 1000 in molecular weight (R. 633-4). Moreover, no portion of that plasticizer was a migrating plasticizer (R. 633). Instead, each of the molecules in the earlier Sears tape was non-migratory and therefore resinous.

The Slipknot tape here accused, on the other hand, contains subsfantial quantities of a plasticizer with an average molecular weight of between 600 and 700 (R. 180, 255). This fact was uncontradicted in the courts below. Moreover, similar undisputed proof shows the presence in Slipknot tape of such a separate plasticizer, which material is migrating, and is migrating because of its form and low molecular weight (R. 182, 185, 207-8).

The Court of Appeals recognized, in part, Minnesota's contention with regard to these differences in the two tapes. The Court said (App. B to Pet. p. 23a):

> "On its appeal Minnesota contends that the court below erred because it 'treated as binding on the issue of infringement an earlier decision between the same parties in the Fourth Circuit, although the article here accused was not and could not there have been involved, and is shown by the evidence herein to be different in the very respect which was pertinently involved in the Fourth Circuit's reversal of its District Court in that earlier case.' Minnesota says that this is so because admissions of fact in evidence in this case 'showed that there was no low molecular weight (below 1000) plasticizer in the tapes adjudicated non-infringing in the Sears case. On the other hand, undisputed evidence in the record here shows that the tape here accused has a substantial content of liquid, low molecular weight (below 1000) plasticizer in it'."

The Court answered this contention by holding that Minnesota was estopped to rely upon these and other differences between the plasticizers of the two tapes. The basis for the estoppel was held to be the Fourth Circuit's determination that the completely resinous, non-migrating plasticizer there involved, although having a "larger number of molecules of relatively low weight" but above 1000, was nevertheless not the equivalent of the low weight, liquid migrating plasticizer of the Oace patent. The Court said (App. B. to Pet., p. 24a):

> "Minnesota, in trying to show the presence of low-molecular-weight material in Plymouth's 'Slipknot' tape, is simply trying to relitigate a matter already judicially determined in prior litigation with Plymouth. Its argument, therefore, overlooks, or seeks to evade, the holding of the Court of Appeals for the Fourth Circuit in the *Sears* case. The true issue here, as the court below recognized, is not whether Plymouth is using a resinous plasticizer with low-molecular-weight material in it. In prior litigation between the parties it has been judicially determined that it can."

It is submitted that the courts below erred in not deciding, on the merits, whether the proven differences between the tape adjudicated in the *Sears* case, on the one hand, and that of Slipknot, on the other, were such as to bring the latter within the range of equivalents accorded to every patent, including that of Oace *et al.* The holding that Minnesota is barred from raising this issue by reason of prior litigation between the parties involving an article different from that here accused, is erroneous and in conflict with fundamental principles announced by this Court.

2. The question raised by this petition is one of substance and is of public importance in the future administration of the patent laws.

As was recognized by this Court in *Graver* v. *Linde*, 339 U.S. 605, 607, one who seeks to infringe a patent "may be expected to introduce minor variations to conceal and shelter the piracy" and that

> "Outright and forthright duplication is a dull and very rare type of infringement."

The rule that every patent is entitled to protection, not only as to the exact thing disclosed, but as to things equivalent as well, evolved in recognition of this experience. The range of equivalents to be accorded a patent is said to depend upon the scope and value of the invention.

If the decision of the courts below in the instant case is allowed to stand, it will become authority under which future defendants in patent litigation may gain partial immunity from liability and, hence, shield their infringement. Thus a defendant who has successfully proved that his accused article is outside the range of equivalents of a patent, may then be induced to move his operation closer to the teachings of the patent—on the premise that principles of *res judicata* will bar litigation on the merits as to the equivalency of the modified accused article. By effectively denying the patent owner its day in court, the piracy of inventions will be encouraged.

The dangers inherent in any such extension of the doctrines of *res judicata* or collateral estoppel were recently recognized by this Court in connection with the enforcement of the anti-trust laws. In *Lawlor* v. *National Screen Service*, 349 U.S. 322, 329, the Court said:

> "Acceptance of the respondents' novel contention would in effect confer on them a partial immunity from civil liability for future violations. Such a result is consistent with neither the antitrust laws nor the doctrine of *res judicata*."

CONCLUSION.

The resolution of the question presented is basic to the administration of the patent laws and a matter of public interest. It is submitted that for the foregoing reasons, the petition should be granted.

Respectfully submitted,

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